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C O N F I D E N T I A L KATHMANDU 002666

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TAGS: [PGOV](#) [PTER](#) [PREF](#) [CVIS](#) [UN](#) [CX](#) [NP](#)  
SUBJECT: CHIEF GOVERNMENT NEGOTIATOR OPTIMISTIC ABOUT  
SUMMIT TALKS

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

1. (C) The Government of Nepal's chief peace negotiator Krishna Prasad Sitaula told visiting SCA PDAS Steven Mann and the Ambassador October 6 that he was optimistic the summit meeting on October 8 would be successful. PDAS Mann stressed the USG's view that it was difficult to imagine how the talks could succeed when Maoist violence continued. In Washington's view, it was time for the GON to start enforcing the law. Home Minister Sitaula responded that the GON planned to do so as soon as the Maoist combatants and their weapons were in cantonments. He expressed regret that the United Nations had not been able to act sooner to assemble a team to assist the negotiations. PDAS Mann and the Ambassador also asked the Home Minister for assistance on Bhutanese refugees and the several hundred Tibetans who wanted to join family members in the U.S. The Home Minister agreed to look into the matters.

Optimistic About Peace Summit on October 8

2. (C) Home Minister and chief Government of Nepal (GON) peace negotiator Sitaula took a break on October 6 from preparations for the October 8 summit to discuss the peace process with visiting SCA Principal Deputy Assistant Secretary Steven Mann and the Ambassador. Sitaula told Mann

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and the Ambassador that he had been in talks since the morning with fellow members of the governing Seven Party Alliance (SPA) as well as the Maoists in an effort to resolve the remaining open issues. He admitted that the talks were at a critical stage, but he said he was also hopeful that the GON and the Communist Party of Nepal (Maoist) would succeed in reaching agreement. For the Government, that meant first and foremost that the Maoists had to agree to separate from their arms before they could enter an interim government. Sitaula added that the GON was waiting for the arrival of the UN's military expert to work on the modalities of managing Maoist arms. Issues such as adoption of an interim

constitution depended on agreement on the arms issue first also.

#### U.S. Concerned About Maoist Violence and Impunity

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13. (C) PDAS Mann emphasized that the USG very much hoped the peace process would succeed. However, it was impossible for us to understand how you could have a successful negotiation when the Maoists were allowed to continue their campaign of violence and extortion. In all his meetings since his arrival in Nepal on October 3, the SCA PDAS said he had heard that people were unhappy the CPN-M was being allowed to violate its obligations under the Code of Conduct with impunity. We believed, he stated, that it was time for the Maoists to fulfill their commitments and for the GON to enforce the law if they did not do so. The USG did not have an optimistic view about the Maoists. PDAS Mann added that it was important that the police be allowed to plan for the contingency that the CPN-M combatants would not go into cantonments.

#### Law Enforcement On Hold Until Maoists In Cantonments

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14. (C) Sitaula responded that the GON's strategy was to wait until the Maoist combatants were in cantonments. At that point, a law and order campaign would be successful. If they did not go into cantonments, with their arms, that would likely mean the end of the peace dialogue. The goal, he said, was to have all the CPN-M insurgents in camps under UN supervision within one month. The Government and the Maoists were currently in discussions about the specifics of the cantonments.

#### Maoists Using This Time To Build Their Strength

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15. (C) The Ambassador warned the Home Minister that the CPN-M was using this time to make itself a stronger foe and to make the GON look weaker. He cited the presence of a new Maoist "tax collection" checkpoint he had encountered just outside the national park in northern Nepal near Namche Bazaar when he was trekking over the past week as an example of Maoist boldness. The Maoists were continuing their efforts to recruit, to extort money, to intimidate. They were able to do so, the Ambassador stressed, because the GON was not enforcing the law. The GON, Sitaula said, was serious in its approach. The summit would decide whether dialogue would be successful or not. The Government was in a difficult position. The King remained a potential threat to democracy. The political parties in the alliance also needed to be reconciled and work together.

#### Sitaula Voices Disappointment About the UN

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16. (C) Minister Sitaula voiced his disappointment that the UN had not been able to act more quickly to assemble the experts needed to implement the GON and the Maoists' identical letters to the UN Secretary General in August requesting the UN's assistance with five issues, including Maoist arms management. He said that the GON had initially had high expectations that the UN would be able to deploy experts and cantonment monitors rapidly. That had not happened. The first two members of the small team supporting UN Secretary General's personal representative for the peace process Ian Martin were not scheduled to arrive until October 10. PDAS Mann responded that the UN monitors would not be armed. They would have no ability to compel the Maoists to abide by their commitments. The Ambassador added that, if the Maoists had really wanted to go into cantonments, they could have done so almost two months ago. It was not fair to blame the UN for broken promises on the part of the Maoists.

#### Maoist Intentions?

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17. (C) PDAS Mann asked Sitaula about his impressions of the Maoists: what were their intentions? The Home Minister answered that he believed they would go into cantonments. In the negotiations, they always spoke in positive terms about their willingness to meet their commitments to democracy and peace, but he went on to say, "I want to see their activities." He agreed with the PDAS and the Ambassador that their actions were different from their words. They seemed, he stated, nevertheless, to have come to a certain realization that their old methods could not continue. If so, the Ambassador asked, why then did they continue to commit abuses. Sitaula's reply was that the CPN-M was internally divided and that some of its subgroups had still not accepted entering the mainstream. The Ambassador's response was that, if the Maoists could not even control their cadre in Kathmandu, where Maoist abuses had skyrocketed in recent months, there was a genuine question whether it made sense for the GON to continue to negotiate with Maoist Supremo Prachanda. Sitaula conceded that the CPN-M did have command and control in the Kathmandu Valley and therefore could be held responsible.

#### Assistance on Refugee Issues

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18. (C) PDAS Mann and the Ambassador also took the opportunity to ask the Home Minister for assistance with Bhutanese and Tibetan refugees. Minister Sitaula was aware of PRM A/S Sauerbrey's announcement in Geneva on October 2 of the USG's willingness to accept as many as 60,000 Bhutanese refugees for resettlement. The SCA PDAS noted that we appreciated the GON's willingness to allow the 16 especially vulnerable Bhutanese girls to travel to the U.S. and Canada, but that there were others who also preferred resettlement to repatriation. The Ambassador said that Bhutanese refugee leaders such as Tek Nath Rizal claimed to speak for all the refugees, but they did not. Rizal was not a Maoist but he was prepared to work with them because he too wanted to keep

the refugees in camps where they could be used as a force to "liberate" Bhutan. The Ambassador said he had been to the camps frequently, including as recently as August with CODEL Kolbe, and most of the refugees themselves had spoken openly of their desire for third country resettlement. He encouraged the GON to allow the census to proceed as soon as possible to ensure that any resettlement program did not lead to a new influx of refugees from Bhutan. The Home Minister that in the coming days he would discuss with Deputy Prime Minister and Foreign Minister Oli how to formulate a new policy. On the Tibetans, the Ambassador noted that there was a small group of 200-300 Tibetan asylum follow-to-join refugees, some of whom had waited two years to rejoin their families in the United States. The Chinese Government would not, he thought, object to allowing them to join their relatives. Sitaula said he would look into it.

#### Comment

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19. (C) We continue to be convinced that it is a mistake for the Government of Nepal to have the same person serve as the chief peace negotiator and chief law enforcement officer. It is also regrettable that Prime Minister Koirala chose some weeks ago to abandon his previous pledge to the Ambassador to replace Sitaula with someone else who would crack down on rampant Maoist violence, extortion and intimidation. It seems that the GON is determined to wait until the Maoists are in cantonments to launch a crackdown. We hope they will not have waited too long. On the issue of refugees, the October 2 announcement by A/S Sauerbrey has prompted a healthy discussion here of what can be done to end the long stalemate issue over the Bhutanese refugees. If the census proceeds and India provides assurances that no further expulsions will be permitted by Bhutan across Indian territory, there may be hope for a brighter future for the Bhutanese.

¶10. (U) PDAS Mann did not have an opportunity to clear this cable.  
MORIARTY